

THE TORONTO STOCK EXCHANGE

FILING STATEMENT NO. 1514.
FILED, DECEMBER 22nd, 1966.

FROBEX LIMITED

Full corporate name of Company

Incorporated under the laws of Ontario as Frobisher Exploration Company Limited by letters dated November 4, 1940. Name changed to Frobisher Limited by supplementary letters patent dated March 17, 1947. Capital reorganization and name changed to Frobex Limited by supplementary letters patent October 30, 1962.

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953 (Ontario) by Letters Patent dated May 1st, 1957).

Reference is made to previous Filing Statement No. 805.

FILING STATEMENT

(To be filed with respect to any material change in a company's affairs, including among other things, an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	(a) issue of treasury shares (See Item 6). (b) acquisition of interest in Wexford Mines Limited and development to date of property of that company. (See Items 9 and 10). (c) other exploration projects (See Item 19).	
2. Head office address and any other office address.	Suite 904, 85 Richmond St. West, Toronto 1, Ontario	
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	President and Managing Director	JOSEPH JOHN RANKIN, Apt. 1107, 500 Avenue Road, Toronto, Ontario Mining Executive
	Vice-President and Director	ROBERT L. SEGSWORTH, 23 Errington Avenue, Toronto, Ontario Mining Engineer
	Secretary-Treasurer	JOHN S. GRANT, Q.C., 17 Daleberry Place, Willowdale, Ontario Solicitor
	Director	JOHN M. CONNELL, Apt. 1801, 619 Avenue Road, Toronto, Ontario Mining Executive
	Director	J. K. GODIN, 6 Kingsway Crescent, Toronto 18, Ontario Mining Engineer
	Director	S. E. JAMIESON, 484 Blythwood Road, Toronto, Ontario Metallurgist
	Assistant Secretary-Treasurer	WALTER STEUERMAN, 630 Roselawn Avenue, Toronto, Ontario Chartered Accountant
4. Share capitalization showing authorized and issued and outstanding capital.	Authorized - 3,500,000 shares without par value Issued - 2,815,268 shares, all as fully paid and non-assessable.	
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	None	

<p>6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.</p>	<p>Under an agreement made as of August 31, 1962, between the Company (then Frobisher Limited), British Metal Canada Investments Limited, McIntyre Porcupine Mines Limited, Conwest Exploration Company Limited and Joseph John Rankin, there are options outstanding and unexercised on a total of 648,732 shares. These options are exercisable at the price of 85¢ per share at any time prior to November 15, 1967, and are held by British Metal Canada Investments Limited as to 241,176 shares, Conwest Exploration Company Limited as to 391, 176 shares and Joseph John Rankin as to 52,380 shares.</p> <p>Under the said agreement British Metal, McIntyre Porcupine and Conwest agreed with the Company to subscribe for between them and equally as to a one-third interest each, a total of 1,000,000 shares at the price of 75¢ per share for a total commitment of \$750,000. Upon the agreement becoming effective on November 15, 1962, the subscribing companies met their commitment to the extent of a total of \$300,000. The agreement provided that the remainder of their commitments, that is for 200,000 shares each and a total price of \$450,000, would be payable to the Company as called upon by the directors of the Company from time to time but not over a period longer than five years from the effective date. All of such shares have been taken down and paid for by the three subscribing companies.</p> <p>In addition, the aforesaid agreement made as of August 31, 1962, granted to the said subscribing companies options to purchase 450,000 shares each at 85¢ per share over a period of five years from the aforesaid effective date. In addition, the Company granted to Joseph John Rankin, its President and Managing Director a non-assignable management option on 177,380 shares at 85¢ per share, exercisable during his employment from time to time at any time and in whole or in part during the five year period following the aforesaid effective date of November 15, 1962.</p> <p>The aforesaid commitment and option of McIntyre Porcupine was assigned to Winneway Mines Limited. Winneway Mines Limited has exercised in full its option to purchase the said 450,000 shares of the Company at 85¢ per share. British Metal, Conwest Exploration and Joseph John Rankin have exercised their respective options in part to date and hold respectively unexercised options as set out above.</p> <p>During the ten months ended October 31, 1966, a total of 1,042,648 shares were issued for a total cash consideration received of \$866,250, representing completion of the aforesaid subscription commitments and exercise of options as aforesaid.</p>
<p>7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.</p>	<p>British Metal Canada Investments Limited, Conwest Exploration Company Limited and Joseph John Rankin aforesaid.</p>
<p>8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.</p>	<p>None</p>
<p>9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.</p>	<p>The Company will continue to bear one-half of the expense of financing Wexford Mines Limited in order that Wexford may continue exploration of its property in Lapotardiere and Boisbuisson Townships in Gaspé Park, Province of Quebec. In addition, the Company will continue to participate in other present exploration ventures, some of which are referred to in Item 19 hereof and others which may arise from time to time. The Company will also continue to be active in general exploration.</p>

10. Brief statement of company's chief development work during past year.	See Schedule " A " on pages 4 and 5.																								
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	None																								
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	Not applicable																								
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	None																								
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	Not applicable																								
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	<p>According to the share registrar and transfer agent of the Company:-</p> <p>Winneway Mines Limited, Suite 1500, 25 King St. West, Toronto 1, Ontario (beneficially owned) 590,000 shares</p> <p>The Superior Oil Co. of Nevada, P.O. Box 1521, Houston, Texas (beneficially owned) 300,000 shares</p> <p>Roytor & Co. No. 10 a/c c/o The Royal Bank of Canada, Bay and Temperance Sts., Toronto, Ontario (not beneficially owned) 263,898 shares</p> <p>Bay & Co. c/o The Canadian Imperial Bank of Commerce, King & Bay Sts., Toronto, Ontario (not beneficially owned) 259,398 shares</p> <p>Gee & Co. c/o The Canadian Imperial Bank of Commerce, 25 King St. West, Toronto, Ontario (not beneficially owned) 243,250 shares</p>																								
16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	<p>Winneway Mines Limited, British Metal Canada Investments Limited, Conwest Exploration Company Limited and Joseph John Rankin, all aforesaid. Winneway Mines Limited is a wholly owned subsidiary of McIntyre Porcupine Mines Limited and British Metal Canada Investments Limited is a wholly owned subsidiary of British Metal Corporation (Canada) Limited.</p>																								
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	<table><thead><tr><th>No of Shares</th><th>Company</th><th>Book Value</th></tr></thead><tbody><tr><td>950,000</td><td>Wexford Mines Limited</td><td>\$123,250.00</td></tr><tr><td>450,000</td><td>Bruce Lake Mines Limited</td><td>14,185.86</td></tr><tr><td>1,015,961</td><td>Billiken Mines Limited</td><td>65,745.15</td></tr><tr><td>4,000</td><td>Twin Mountain Uranium</td><td>625.00</td></tr><tr><td>40,000</td><td>Kenpat Mines Limited</td><td>nil</td></tr><tr><td>38,061</td><td>Gavan Mines Limited</td><td>nil</td></tr><tr><td>23,000</td><td>Coranex Limited</td><td>23,000.00</td></tr></tbody></table> <p>There is no present known market value for any of the foregoing shares.</p>	No of Shares	Company	Book Value	950,000	Wexford Mines Limited	\$123,250.00	450,000	Bruce Lake Mines Limited	14,185.86	1,015,961	Billiken Mines Limited	65,745.15	4,000	Twin Mountain Uranium	625.00	40,000	Kenpat Mines Limited	nil	38,061	Gavan Mines Limited	nil	23,000	Coranex Limited	23,000.00
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23,000	Coranex Limited	23,000.00																							
18. Brief statement of any lawsuits pending or in process against company or its properties.	<p>The Company has been named as a third party garnishee along with other companies, certain chartered banks and individuals in an action brought in the Courts of Quebec by Paul E. Dumont and C. E. Pelletier against J. G. Russell, J. Y. Berube et al named above, in the nature of a demand for an accounting of profits realized by the latter from the Wexford Mines Limited property and payment of an interest therein. In the opinion of counsel for the Company, this action does not involve the Wexford Mines property or the title thereto.</p>																								

The Company has been active in exploration on its own account or in participation with others and reference is made to Paragraph 19. The major part of the Company's expenditures has been made with respect to Wexford Mines Limited, which has been exploring its aforementioned property in the Gaspé Park, Quebec. Reference is made to the respective reports of Paul Girard, P. Eng. dated November 7, 1966, and J. M. Baker, M.A. dated December 12, 1966.

The Company, together with Area Mines Limited ("Area") as purchasers, entered into an agreement made as of December 1, 1965, with J. G. Russell, J. Y. Berube, Louis Landry, Yvon Pelletier, all of Cap Chat and/or Ste. Anne des Monts, Gaspé, Quebec, as vendors, respecting a total of 99 mining claims located in Lapotardiere and Boisbuisson Townships in the Gaspé Park area of Quebec. Under this agreement, the Company and Area acquired equally between them all right, title and interest in the said 99 claims for the following consideration payable to the said vendors, namely:-

- (a) the sum of \$18,000,
- (b) delivery of certificates for 75,000 shares of Wexford Mines Limited free from escrow,
- (c) assignment of 225,000 escrowed shares of Wexford Mines Limited,
- (d) a production payment to the vendors of \$500,000 payable out of 10% of net profits from production in each year after reimbursement of exploration and development expenditures.

In addition, Frobex and Area agreed to cause a nominee of the vendors to be appointed a director as long as the vendors hold among them at least 8% of the issued shares of Wexford.

Wexford Mines Limited was incorporated under the laws of Ontario by letters patent dated November 12, 1957, with an authorized capital of 5,000,000, divided into 5,000,000 shares with a par value of \$1 each. At the time of the aforesaid agreement, there were 900,007 shares of Wexford outstanding. Of these shares, 900,000 shares had been issued in 1958 for mining claims no longer held by Wexford and Wexford was at December 1, 1965, in a dormant state. Messrs. Joseph J. Rankin and Robert L. Segsworth (the President and Vice-President respectively of Frobex) held between them all 900,000 shares, whereof 90,000 shares were free from escrow and 810,000 shares were held in escrow with Eastern & Chartered Trust Company at Toronto. Messrs. Rankin and Segsworth transferred for nominal consideration to Frobex and Area all of the said 900,000 Wexford shares. Frobex and Area in turn transferred and assigned to Messrs. Russell, Berube, Landry and Pelletier, above named (the "vendors") and equally among them each as to one-quarter thereof a total of 75,000 shares free from escrow and 225,000 escrowed shares in the capital of Wexford. Each vendor therefore received 18,750 free shares and 56,250 escrowed shares of Wexford. Frobex and Area thus each retained 7,500 free shares and 292,500 escrowed shares of Wexford, being a total of 300,000 shares of Wexford each.

The aforesaid 99 mining claims so purchased by Frobex-Area from the said vendors by the December 1, 1965, agreement were subsequently assigned by Frobex-Area to Wexford. Wexford executed and delivered in favour of the said vendors an agreement with respect to the aforesaid production payment. In addition to the aforesaid 99 claims, Frobex-Area assigned to Wexford their right contained in the said December 1, 1965, agreement to purchase from the said vendors an additional seven mining claims contiguous with the original group and at a price of \$100 per claim. This option was subsequently exercised by Wexford and had acquired such additional seven claims. The Wexford property now consists of 110 contiguous claims, additional claims having been subsequently acquired through purchase.

In addition to the 900,000 vendor shares of Wexford referred to above, a further 150,000 Wexford shares were issued between Messrs. Rankin and Segsworth in repayment of monies previously advanced by them to Wexford. These shares were then assigned by Messrs. Rankin and Segsworth to Frobex and Area, each as to 75,000 shares.

Frobex and Area entered into an agreement with Wexford dated April 7, 1966, to provide that company with initial financing for exploration of the property. Under such agreement Frobex-Area purchased equally between them a total of 800,000 shares of Wexford, whereof 200,000 shares were purchased at 10¢ each, 200,000 shares at 12½¢ each, 200,000 shares at 15¢ each and 200,000 shares at 20¢ each.

Frobex and Area have entered into a subsequent agreement with Wexford made as of September 12, 1966, to provide Wexford with additional financing for exploration purposes. Under this latter agreement, Frobex and Area have purchased equally between them 200,000 shares of Wexford at 25¢ each and 200,000 shares at 30¢ each. Frobex-Area hold equally between them options on an additional 1,250,000 Wexford shares as follows:-

200,000 shares at 35¢ each and 200,000 shares at 40¢ each, exercisable by January 1, 1967;

200,000 shares at 45¢ each and 200,000 shares at 50¢ each, exercisable by April 1, 1967;

200,000 shares at 60¢ each and 250,000 shares at 70¢ each, exercisable by July 1, 1967.

The option agreement makes provision for exercise by either Frobex or Area of any optioned shares which the other may not elect to purchase.

As of the date of this filing statement, there are therefore 2,250,000 shares of Wexford outstanding. Of these, 300,000 shares were issued to the four vendors named above. Of the remaining 1,950,000 (excluding the seven directors' qualifying shares), Frobex and Area were each entitled to receive and initially received one-half, namely 975,000 shares. Frobex has assigned to D. J. Kemp, 39 Denver Cres. Toronto, Ontario, 25,000 Wexford shares under the agreement between Mr. Kemp as a prospector and Frobex, whereby Mr. Kemp receives an interest in any property located by him, and Frobex thus holds 950,000 Wexford shares. The present seven directors of Wexford are Messrs. Joseph John Rankin, Robert L. Segsworth, and John S. Grant, Q.C., all of whom are officers and/or directors of Frobex, and Messrs. Norman B. Keevil, Jr., J. H. Westell and J. B. Anderson, all of whom are directors and officers of Area Mines Limited or associated companies thereof and J. G. Russell of Ste. Anne des Monts, who was one of the original property vendors.

FINANCIAL STATEMENTS

FROBEX LIMITED

BALANCE SHEET

AS AT OCTOBER 31, 1966

ASSETS

Current

Cash in bank	\$ 55,688
Cash in deposit accounts	625,000
Accounts receivable and accrued interest	<u>22,520</u>
	703,208

Fixed

Motor vehicles - at cost	2,537
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Other

Deferred exploration and development expenses	\$285,498	
Investment in subsidiary company (note 3)	65,745	
Investment in associated and other mining companies, at cost	<u>131,060</u>	<u>482,303</u>
		<u>\$1,188,048</u>

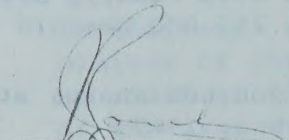
LIABILITIES & CAPITAL

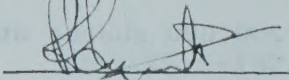
Current Liabilities

Accounts payable and accrued charges	17,828
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Shareholders' equity

Capital - (note 1)		
Authorized: 3,500,000 shares of no par value		
Issued: 2,815,268 shares (note 2)	\$1,866,251	
Contributed surplus (no change for year to date)	<u>264,565</u>	
	2,130,816	
Deficit	<u>960,596</u>	<u>1,170,220</u>
		<u>\$1,188,048</u>

 _____ Director

 _____ Director See accompanying notes.

FROBEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS

OCTOBER 31st, 1966

- (1) The following options were outstanding at October 31, 1966, at a price of 85¢ per share, exercisable prior to November 15, 1967.

British Metals Canada Investment Limited	241,176 shares
Conwest Explorations Limited	391,176 "
Mr. J.J. Rankin (the company's president) whose right to exercise his option is dependent upon his continued employment with the company	<u>52,380</u> "
	<u>648,732</u> "

- (2) During the ten months period ended October 31, 1966, a total of 1,042,648 shares were issued for a cash consideration of \$866,250.

- (3) The subsidiary company's accounts (Billiken Mines Limited - 87% owned) have not been consolidated with the company's financial statements as the subsidiary company's assets consist entirely of a mining property in Kidd Township, Ontario, in the exploratory stage of development.

FROBEX LIMITED

STATEMENT OF PROFIT AND LOSS AND DEFICIT

FOR THE TEN MONTHS ENDED OCTOBER 1966

General and Administrative Expenses

Accounting and office services	\$10,000
Annual meeting and reports	3,599
Filing fees	281
General office expense	455
Insurance and taxes	473
Legal and audit	1,645
Publicity and advertising	3,746
Executive remuneration	15,000
Subscriptions and donations	443
Telephone and telegraph	180
Transfer agency expense	3,768
	<u>39,590</u>
Less: Interest earned	5,161
	<u>34,429</u>
Net Loss for period	
Deficit, January 1, 1966	926,167
Deficit, October 31, 1966	<u>\$960,596</u>

FROBEX LIMITED

STATEMENT OF DEFERRED EXPLORATION AND DEVELOPMENT EXPENSE

FOR THE TEN MONTHS ENDED OCTOBER 31, 1966

	Balance December 31, 1965	Expenditure in 1966	Balance October 31, 1966
General exploration, staking costs and property examination			
Gaspe area claims - P.Q.	\$10,540	\$ 6,820	\$17,360
Porcupine Creek Option - Gaspe, P.Q.	5,000	2,258	7,258
Matapedia claims - P.Q. and N.B.	1,200	1,239	2,439
Nelson Option, Port Arthur, Ont.	-	6,948	6,948
Porcupine Mining Division, Ont.	105,452	607	106,059
Nova Scotia licences	-	404	404
Joffre and Leclercq Twps. - Gaspe, P.Q.	-	2,975	2,975
Bruce Lake claims - Yukon (Note 2)	1,268	(1,268)	-
Other exploration expenses including grubstakes	2,437	13,128	15,565
	<u>125,897</u>	<u>33,111</u>	<u>159,008</u>
Participation in Syndicates			
Ivanhoe Syndicate - Ontario	38,397	-	38,397
Twin Falls Syndicate - Ontario	14,826	-	14,826
Coranex Project - B.C. (Note 1)	30,000	7,000	37,000
Jomopo Syndicate - B.C.	-	3,511	3,511
Popelogan Project - N.B.	-	12,881	12,881
Frobex 1966 Syndicate (Berube et al) P.Q.	-	2,000	2,000
Antipodes claims - Gaspe, P.Q.	-	17,875	17,875
	<u>83,223</u>	<u>43,267</u>	<u>126,490</u>
Total exploratory expense	<u>\$209,120</u>	<u>\$76,378</u>	<u>\$285,498</u>

Note 1 - Frobex Limited has been allotted 23,000 shares of Coranex Limited covering its participation in the amount of \$23,000 in the Coranex project. These are included under investments in associated and other mining companies.

Note 2 - The expenditure on the Bruce Lake Mines claims has been applied against the cost of shares in Bruce Lake Mines Limited, included in investments in associated and other mining companies.

FROBEX LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE TEN MONTHS ENDED OCTOBER 31, 1966

Source of Funds


Proceeds of issue of 1,042,648 treasury shares	\$866,250	
Interest income	<u>5,161</u>	\$871,411

Application of Funds

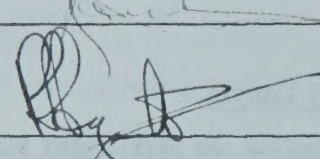
Exploratory and development costs	\$76,378	
Purchase of motor vehicles	2,537	
Investment in associated and other mining companies	121,041	
General and administrative expenses	<u>39,590</u>	<u>239,546</u>

Increase in Funds - represented by the following
increase in working capital during the period

Working capital at October 31, 1966	\$685,380	
Working capital at December 31, 1965	<u>53,515</u>	<u>\$631,865</u>



Director



Director

WEXFORD MINES LIMITED

BALANCE SHEET

OCTOBER 31, 1966

A S S E T S

Current:

Cash	\$35,591	
Accounts receivable	<u>135</u>	\$35,726
Motor vehicle - at cost	3,975	
Less accumulated depreciation	<u>397</u>	3,578
Mining claims	28,900	
Deferred exploration expenses	<u>183,878</u>	212,778
Incorporation expenses		<u>2,873</u>
		<u>\$254,955</u>

L I A B I L I T I E S

Current:

Accounts payable and accrued charges	\$64,898
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Shareholders' equity:

Capital -

Authorized:

5,000,000 shares, par value \$1.00 each

Issued:

2,050,007 shares

Less discount

Deficit

\$2,050,007	
<u>1,787,500</u>	
262,507	
<u>72,450</u>	<u>190,057</u>
	<u>\$254,955</u>

WEXFORD MINES LIMITED

STATEMENT OF DEFERRED EXPLORATION EXPENSES
(on Gaspé Mining Claims)

FOR THE YEAR ENDED OCTOBER 31, 1966

Assays and soil samples	\$4,932
Consulting fees	200
Camp construction and road building	4,312
Depreciation	397
Drilling	101,470
Field salaries	28,448
Field supplies	13,878
Geophysical and linecutting	11,604
Licences and recording fees	3,069
Telephone, maps and miscellaneous	3,787
Travelling and accommodation	5,494
Trucks and equipment rental	6,287
	<u>\$183,878</u>

PROFIT AND LOSS ACCOUNT AND DEFICIT

FOR THE YEAR ENDED OCTOBER 31, 1966

<u>General and administration expenses</u>	
Accounting and office services	800
Legal fees	2,949
Miscellaneous	149
Shareholders' meeting	690
Transfer agency expense	398
	<u>4,986</u>
Abandoned mining claims and related expenditure written off	94,464
	99,450
Less contributed surplus written off against deficit	27,000
Deficit, October 31, 1966	<u>\$72,450</u>

December 12, 1966

Mr. J.J. Rankin, President,
Frobex Limited,
85 Richmond Street West,
Toronto 1, Ontario.

Dear Sir:

PROGRESS REPORT ON THE
PROPERTY OF WEXFORD MINES LTD.
GASPE, P.Q.

With a few supplementary notes, I should like to draw your attention to the progress of the diamond drilling at the Wexford Mines Ltd. property to accompany Mr. Paul Girard's report, dated November 7, 1966, which is attached.

Owing to winter conditions and the need for drilling deeper holes to extend the ore-body on a rugged terrain, the diamond drilling is progressing more slowly. Eighteen holes have been completed on the main Pelletier zone (named after the discoverer of the surface showing) in the current program. Two drills are being employed to extend the occurrence to the south (down the mountain), and a third drill is investigating several promising exploration targets deduced from various surveys - geophysical, geochemical and geological, completed during the past field season.

The main zone, on an apparent southerly strike and plunge of 50°, and a dip of 50 to 60° to the east, has been traced over a distance of 600 feet, for a plunge length of 1200 feet, within a vertical range of 1000 feet approximately. The most recent hole (#29) confirms that it persists strongly to the south. The zone has not been delimited in a northerly direction.

The copper mineralization is in a fracture zone essentially, although some fine dissemination of the copper minerals has been noted, in highly altered sedimentary beds lying to the west of the Table Top Mountain granite.

Structural control is not completely understood, although there appear to be a set of conditions due to faulting and/or folding and the competency of certain sedimentary beds, that are largely responsible for the favourable environment. Generally speaking the main mineralization is confined by a cherty banded hornfels on the hanging-wall and a quartzitic member on the foot-wall. The host rock is a mauvish hornfels. There is a zoning of the sulphides; pyrite and pyrrhotite surrounding the ore-body, with predominantly copper sulphides - bornite, chalcopyrite and minor chalcocite within. Furthermore bornite is more predominant towards the footwall side, although the last holes have indicated that the higher grade bornite section is migrating towards the hanging-wall side.

Diamond drilling was started on July 17, 1966, and it is planned to continue the program throughout the winter months.

Below is a summary of the drilling results, and the holes are tabulated from north to south in the zone. The pertinent holes drilled previously by Noranda Mines Ltd. in 1964 are also recorded:

(Holes drilled by Noranda are denoted with an asterisk)

D.D.H. No.	Azimuth	Elevation at collar	Dip at collar	Length	Intersections		Core Length (feet)	Copper %
					From	To		
3*	270°	3701.8	45°	375'	219.0 - 260.0	260.0 - 290.0	41.0 30.0	0.19 0.81
2*	270°	3683.8	45°	519	320.0 - 340.0		20.0	0.69
1*	270°	3707.3	45°	417	137.0 - 147.0		10.0	2.33
4*	270°	3684.6	45°	464	147.0 - 260.0		113.0	0.28
					110.0 - 150.0		40.0	0.66
					150.0 - 300.0		150.0	1.20
12	305°	3659.3	45°	662	500.0 - 543.9		43.9	0.21
11	305°	3661.7	45°	624	302.0 - 430.0		128.0	1.02
15	305°	3660.0	55°	720	464.0 - 521.0		57.0	1.11
17	270°	3660.0	50°	634	384.0 - 526.0		142.0	1.36
13	(drilled on an I.P. Anomaly about 1200 feet westerly)							
5*	270°	3668.1	45°	511	150.0 - 160.0		10.0	0.34
					160.0 - 470.0		310.0	0.05
14	305°	3661.4	45°	601	239.7 - 447.0		207.3	1.52
18	270°	3652.8	50°	605	295.0 - 530.0		235.0	1.56
16	305°	3657.9	45°	521	262.0 - 411.0		149.0	1.19
19	305°	3623.8	50°	597	364.0 - 579.0		214.5	1.68
20	305°	3604.5	50°	580	357.0 - 555.0		198.0	1.93
22	305°	3604.0	50°	630	401.5 - 488.0		86.5	0.70
				(including	410.0 - 440.0		30.0	1.07)
21	305°	3583.7	50°	643	325.0 - 539.0		214.0	1.17
23	305°	3557.6	50°	660	566.0 - 589.0		23.0	0.17
	(Note: Inferred to be at upper margin of plunge)							
24	305°	3562.8	55°	989	520.0 - 740.0		220.0	1.76
26	305°	3537.5	55°	1228	868.0 - 918.0		50.0	1.03
25	301°	3529.3	55°	1004	601.0 - 771.0		170.0	1.72
27	305°	3506.6	55°	1290	924.0 - 1008.0		84.0	1.48
29	301°	3490.0	55°	1103	677.0 - 823.0		146.0	1.41
				(including	729.0 - 823.0		94.0	1.91)
8*	270°	3687.3	45°	(Overstepped the Pelletier Zone)				
33	300°	3470.0	Now drilling					

Diamond drill holes # 28, 30, 31 and 32 are explorational holes being drilled from 1100 feet to 2000 feet southerly from the Pelletier Zone.

On the basis of the drilling to date in the main zone, with an average grade of 1.52% copper, an average thickness of 160 feet, over a vertical range of 1000 feet, and a plunge length of 1200 feet, there is in the order of 10,000,000 tons based on tons per vertical foot. Of possible significance, there are small values in silver that may average out between 0.4 to 0.8 ounces per ton.

All the indicated ore material lies above a possible adit portal elevation.

In the later deeper holes a second mineralized zone has been encountered on the foot-wall side of the main zone, in another mauvish hornfels member, below the quartzite of the Pelletier zone. The results are as follows:

Hole No.	Footages	Core Length (feet)	Copper (%)
24	889.0 - 921.0	32.0	0.37
	936.0 - 951.0	15.0	0.14
25	988.3 - 996.0	7.7	0.17
26	1109.0 - 1158.0	49.0	0.76
	(including 1135.0 - 1158.0	23.0	1.00)
27	1166.0 - 1248.5	82.5	0.81
29	990.0 - 1046.0	56.0	No assays received

To the present time, only the last few holes have been drilled to intersect this zone. However, in the light of what is now known about the main zone, the foot-wall material could be very important.

In conclusion, it is now evident that the Pelletier copper zone assumes economic importance, and also suggests that with further work similar occurrences will be developed within the alteration zone of the sediments lying to the west of the granites of Table Top Mountain.

Respectfully submitted,


James M. Baker, M.A.

Enclosures to accompany progress report:


1. Geological & Geochemical Report by P. Girard, eng., dated November 7, 1966.
2. Surface diamond drilling plan, scale 1" = 50'.

CERTIFICATE

I, JAMES M. BAKER, of the City of Toronto, in the Province of Ontario, hereby certify:

1. THAT I am a Mining Geologist, and reside, at 118 Montgomery Avenue, Toronto 12, Ontario.
2. THAT I am a graduate of the University of Toronto (M.A.) and have been practising my profession as a Mining Geologist for approximately 25 years, and am a Charter Member of the Geological Association of Canada.
3. THAT I have no interest either direct or indirect, in the mining properties or securities of Frobex Limited, Area Mines Limited or Wexford Mines Limited, nor do I expect to receive any such interest.
4. THAT I am acquainted through field examinations with the general area, but I have not visited the property dealt with in this report. The accompanying progress report is based on a study and compilation of the field data.

DATED AT TORONTO, ONTARIO, THIS 12TH DAY OF DECEMBER, 1966.


JAMES M. BAKER, M.A.
Geologist

ENGINEER'S REPORT

NOTE: The following are excerpts from a report by P. Girard, M.Sc.A., P.Eng., dated November 7th, 1966, on mining claims located in Lapotardiere and Bois-buisson Townships, Gaspé Park, Quebec. A complete copy of this report is on file with the Toronto Stock Exchange.

I - INTRODUCTION

This report gives a summary of the geological and geochemical work accomplished during the summer 1966 on the property of WEXFORD MINES LIMITED in the Gaspé area.

a - Property

The property consists of 110 contiguous claims, defined as follows:

<u>Licence Number</u>	<u>Number of claims</u>
212502	1
222433	4
222434	3, 4
212502A	2 to 5
210599	3, 4, 5
216913	3, 4, 5
216912	3, 4, 5
217938	1 to 5
205579	5
205578	5
206701	5
206699	5
206702	4
205947	2, 3, 4, 5
205573	5
205949	1 to 5
206778	1 to 4
206780	1 to 4
206781	1 to 4
224195	1 to 5
224193	1
206779	1 to 5

<u>Licence Number</u>	<u>Number of claims</u>
224193A	2 to 5
222434A	1, 2, 5
207076	1 to 5
207143	1 to 5
207141	4, 5
208427	5
208428	5
222430	1 to 5
222431	1 to 5
222432	1 to 5
222433A	1, 2, 3
253237	1, 2, 3
224194	2, 3, 4, 5
230217	2
230220	1, 2, 4
	<hr/>
TOTAL:	110 claims
	<hr/>

b - Location and access

This group of claims is located in Gaspé Park, in Lapotardiere and Boisbuisson townships, approximately between the V and VI M. of the Lapotardiere-Boisbuisson township line and between the I-V and VII M. of the "Extension Christie-Duchesnay" line (N 11 W). The property lies in the Petit Mont Ste-Anne area, near the north-west border of the Tabletops range.

Several bush roads make access easy. We can drive by the old Candego Mine road which starts at Marsoui, or by the Park road from Ste-Anne-des-Monts and then by lateral bush roads.

IV - MINERALIZATION

a - Abundance of pyrrhotite and pyrite in the alteration zone

The rocks of the alteration zone contain a higher percentage of sulphides than the rocks outside it. Pyrrhotite is the most abundant. It occurs disseminated or along fractures in all kinds of rocks; some blocks show as much as 20 to 30%. Pyrite is commonly associated with it, but it is less abundant. Although equally wide spread, pyrite is preferentially associated with the dark coloured hornfels. The enrichment in pyrrhotite and pyrite is genetically related to the metasomatic transformations caused by the granite intrusive.

b - Copper deposit of the Petit-Mont Ste-Anne

This mineralization consists of chalcopyrite and bornite mainly; it is located in the thickest horizon of MH, (this one below the CBH). The mineralization outcrops on the top of the mountain (northeast corner of the property) in a 150 ft-square zone of debris, which has appeared by trenching to extend over a distance of 500 feet but over a width less than 150 ft. On surface, the mineralization is malachite, azurite, chalcopyrite and bornite mostly along fracture planes; pyrite and pyrrhotite are absent, except as trace. No gossan at all is seen on the showing.

An intensive drilling program has been executed in the sector. Firstly, after the discovery of the showing in 1964, Noranda drilled 10 holes; four of them cut mineralized zones, 30 to 150 feet long with an average grade of 1% copper. During the last summer, 14 holes have proved the extension of the zone over an average length and width of 700 and 150 feet respectively. The depth investigated up to date is roughly 500 feet below the surface. Drilling is still going on. The zone strikes between N 25° E and N 35° E, dips 45° to 50° SE and seems to plunge to the south. The problem of the plunge is not yet certain; it is possible that what appears as a plunge is only an effect of transverse faulting.

The only sulphides present are; chalcopyrite, bornite and trace of chalcocite. Chalcopyrite occurs in the footwall, and chalcopyrite and trace of bornite in the hangwall; there appears to be some type of zoning with a richer section of bornite within the orebody.

The mineralization occurs along the fractures and is generally associated with veinlets of quartz. The fracture planes coincide with bedding, schistosity, fracture cleavage and joints. Locally, we have fine dissemination and evidence of replacement.

Here is a list of the factors which seem to control the mineralization:

- 1 - The mineralization occurs in proximity of a discordant intrusive of granite.
- 2 - The most important mineralized zone is located in a particular MH horizon. However, DD holes have cut good mineralized sections in the CBH and in the MH above the CBH. We think that lithological factors have less importance than structural ones.
- 3 - The diabase dykes within the zone are also mineralized.
- 4 - The type of mineralization is filling fracture, but there is also evidence of replacement.
- 5 - In the zone, the rock is extremely fractured, but in the walls, it is very massive.
- 6 - In the CBH, the sulphides are associated with recrystallized spots in the rock (tremolite and chlorite). In the MH above the CBH, the chalcopyrite is located in fractures.
- 7 - The mineralization is not concentrated in a particular set of fractures. The more fractured the rock is, the more mineralized it is.
- 8 - The hanging wall contact is more or less ill defined but the footwall contact is clearly cut.
- 9 - Drilling has also cut a second zone below the main one and quartzite member; little is known about it as the zone has been intersected in the current deeper holes only.
- 10 - Transverse faults cut the mineralized zone. Recognition of the criteria of these faults is very difficult; we are more often concerned with sharp fractures now filled by veinlets of quartz, rather than with sharp fractures now filled by veinlets of quartz, rather than with broad brecciated zone. Great care will be carried on in the logging in order to localize the locus of these faults.

c - Zinc-Lead-Copper mineralization:

At 2000 feet south of the copper deposit, exactly in a gully at 100 feet south of the picket 3E in line 22 SW, massive sulphides (sphalerite, galena, chalcopyrite and pyrite) occur in fault material; it is an oblique steep fault, striking N-S. The west wall contains also traces of disseminated chalcopyrite and sphalerite. Because of its structural and geological context, this occurrence is a very promising target.

d - Copper mineralization in quartzite:

In the south valley of the Petit Mont Ste-Anne, we found big blocks of a massive, coarse grained quartzite containing about 2.0% of disseminated chalcopyrite. The quartzite seems to be the same as the one met in the SB, which outcrops on the top and on the north flank. In these last locations, the bed is about 15 to 20 feet thick.

V - GEOCHEMICAL SURVEY

A detailed geochemical survey has been done on the whole property along blazed or cut lines; samples have been taken at each 100 ft. Where blanks appear on the maps, no sample has been taken, due to the absence of soil or to the too large thickness of the organic material. But on the major part of the property, the profile or soil is normal, showing the three main zones A, B and C. The thickness of these zones changes with the relief of the ground. Generally, the samples have been picked up in the B zone, preferably in the dark brown layer of the B zone, lying immediately below the white grey layer of the A zone. When the identification of the C zone was doubtful, the C zone has been sampled. We took great care to pick up all samples on the same way in order to get comparative results.

All the major creeks and their subsidiaries have also been sampled. Three samples have been taken at each 500 ft, a silt sample in the creek and two soil samples each side of the creek at 5 to 10 ft. of the shore.

Results are presented on separate sheets for copper and zinc (scale 1" = 400 ft.): Anomalies area are contoured and lettered for an easier identification.

a - Geochemistry of copper:

The regional tenor is lower than 25 ppm.

Anomaly A: it is composed of three small anomalies. They are located on the north side of the B.L. 90 N in the NW part of the property, each side of the Lapotardiere-Boisbuisson township line. Values range from 50 to 250 ppm. They occur in non-altered sedimentary rocks, at south of the volcanic contact. No surface mineralization has been found in the sector. Furthermore, those anomalies coincide with a broader zinc anomaly.

Anomaly B: It is located just north of the Branch A, about 1200 feet west of the "Extension Christie-Duchesnay" line. Values range from 50 to 350 ppm. It coincides with a zinc anomaly (up to 400 ppm). No mineralization has been found in the area.

Anomaly F: Right on the showing of the copper deposit, we have a value as high as 6000 ppm. The zinc content is very low: 100 ppm.

Anomaly G: a transported anomaly, derived from Anomaly F.

b - Geochemistry of Zinc:

The regional tenor is lower than 50 ppm.

The anomalies A and B, which are located on the south-west flank of the Petit Mont Ste-Anne have been already mentioned in the chapter on the geochemistry of Copper.

Anomaly C: It consists of three high values, of which the highest is 750 ppm. It is located close to the road which leads to the top of the mountain, about 800 ft. west of the "extension Christie Duchesnay" line.

Anomalies D, E, F and G: They are dimensionally very small and their zinc content is very weak.

c - Geochemistry of creeks:

Silts of Branch A and B are characterized by a relatively high content of zinc and copper. Most of them can be related to the anomalies described above, except some high values in zinc in Branch C and all the high values of Branch C.

VI - CONCLUSIONS

The discovery of a copper deposit in the Petit Mont Ste-Anne area gives a great economic importance for the part of the property which is geologically located within the alteration zone of the intrusive.

However, from the geochemical survey, it appears that the northwest part of the property is also promising and more detailed geochemical work should be done, supported by intensive trenching and prospecting.

Montreal, P.Q.
November 7, 1966.

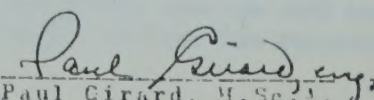
Paul Girard, Eng.

CERTIFICATE

I, Paul Girard, of the City of Montreal, in the Province of Quebec, hereby certify that:

1. I am a graduate of the Ecole Polytechnique, Montreal, where I obtained my B.Sc.A. in 1963 and my M.Sc.A. in 1965 and presently am studying at Mc Gill University for the Ph.D. degree.
2. I am a geological engineer and a registered member in a good standing of the Corporation of Quebec Engineers, and reside at 6040, De Normanville, app. 2, Montreal.
3. I have no interest either direct or indirect, in the mining properties or securities of Probox Limited, Area Mines Limited or Vexford Mines Limited, nor do I expect to receive any such interest.
4. I am personally acquainted through field examinations with the general area and I have been working during last summer on the property dealt with in this report.

DATED AT MONTREAL, QUEBEC, THIS 30TH DAY OF DECEMBER, 1966.


Paul Girard, M.Sc.A.
Engineer

19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.

Since its capital reorganization in November, 1962, and the subsequent financing of the Company referred to above, the Company has participated actively in mineral exploration throughout Canada and certain areas of the United States of America. General exploration has been carried out by the Company in almost every area of interest during the past four years and it has participated in numerous syndicates and ventures in Ontario, British Columbia, Quebec, the Yukon and Northwest Territories and in the Maritime Provinces. Representative of the present participations of the Company are the following:-

- (a) The Coranex project in British Columbia, a three year exploration program being undertaken in association with Canadian Nickel, Denison Mines, Dome Exploration (Canada) and McIntyre Porcupine, wherein the Company has a 20% interest.
- (b) In association with Area Mines which holds a one-half interest, an option to purchase from Messrs. J.Y. Berube, J. G. Russell, L. Landry and Y. Pelletier, named above in this filing statement, 41 mining claims located in the Gaspé Park area in Quebec in the Townships of Lapotardiere and Boisbuisson, which property adjoins on the north-west the property of Wexford Mines Limited.
- (c) Approximately 300 additional claims in the Gaspé area of Quebec, which are held outright by the Company or in which the Company has participated with other companies and interests.
- (d) The Carrière property in the Gaspé area, wherein the Company holds a 25% interest and Antipodes Explorations Limited holds a 50% interest and Jelex Mines Limited and Canadian Nisto Mines Limited respectively hold 15% and 10%.
- (e) Billiken Mines Limited incorporated by the Company to hold and develop a prospect in Kidd Township in the Timmins area of Ontario. The Company holds 87% of the issued shares of Billiken.
- (f) Bruce Lake Mines Limited, a British Columbia company, incorporated to hold and explore a property in the Pelly River area of the Yukon Territory, wherein the Company holds a 50% vendors and financing interest and is associated with Augustus Explorations.
- (g) Prospecting licences in Nova Scotia.

The following are representative of other prospecting and exploration ventures and participations of the Company during the past two years, namely, Canorado Mines Limited, incorporated to explore by diamond drilling the Malachite-Morrison Mines copper property in Jefferson County, Colorado; the Retano option on a silver-antimony showing in the Bridge River area of British Columbia; a molybdenum prospect optioned in the Black Lake district of Northern Saskatchewan; the Ivanhoe and Twin Falls Syndicates, which carried out exploration west and east of Timmins; the Popelogan project in New Brunswick, the Roche option on a property in Ben Nevis Township of Ontario, Nelson-Nordarm option on a property in the Port Arthur District of Ontario, exploration of other claims in the Timmins area of Ontario held outright or with others. None of the ventures and participations referred to immediately above are to be continued and the Company's interest therein has lapsed or will be allowed to lapse.

20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.

No other material facts. Shares of the Company which have been purchased by Winneway Mines, British Metal Canada Investments, Conwest Exploration and Joseph John Rankin as disclosed above, may as to some part thereof be in the course of primary distribution from time to time as may shares held under option as set out above, if, as and when any such options are exercised.

DATED December 16, 1966

CERTIFICATE OF THE COMPANY

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

PROBEX LIMITED

"J.J. Rankin"

Per:

"J.M. Connell"

Per:

CORPORATE
SEAL

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

